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RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2101
RUEHKT/AMEMBASSY KATHMANDU PRIORITY 9600
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RUEHCI/AMCONSUL KOLKATA PRIORITY 1221

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SUBJECT: BANGLADESH CONTRIBUTION TO 2008 INTERNATIONAL
ANTICORRUPTION AND GOOD GOVERNANCE ACT (IAGGA) AND RELATED REPORTING
REQUIREMENTS

REF: STATE 18836

11. (U) The following is the draft text on Bangladesh for reporting under the International Anticorruption and good Governance Act.

12. (U) Following the declaration of a state of emergency in January 2007, the Caretaker Government took several significant steps to address government corruption. It appointed a retired army chief as the new chairman of the Anti-Corruption Commission (ACC), formed a National Coordination Committee to help coordinate government and security forces efforts to investigate graft, and set up several task forces to help the committee with its work.

13. (U) In 2007, security forces detained several hundred high-profile graft suspects. Among those detained were former prime ministers Sheikh Hasina and Khaleda Zia, both of whom were charged in bribery cases dating to their government tenures. Using the Special Powers Act that allows preventive detention, the government detained them and prominent business and political leaders. The majority of those persons were then tried under existing anti-corruption legislation. Most high-profile cases were handled under the Emergency Power Rules that deny suspects both the right to bail and the right to appeal their cases during their trials. Local media reported in February 2008 that at least 240 people had been sentenced to jail in the anti-corruption drive. Several Bangladeshi business and political leaders also have said that investment has dried up because entrepreneurs do not want to draw attention lest they be rounded up during the anti-corruption drive. Post repeatedly has said that due process must be observed to ensure that graft suspects are afforded fair judicial treatment.

14. (U) With an aim to contribute to good governance and accountability, USAID began implementing in October 2007 a four-year, \$18 million anti-corruption program for Bangladesh. It will provide technical assistance to strengthen parliamentary oversight committees, the Office of the Comptroller and Auditor General, citizen advocacy and watchdog initiatives, legal reforms that promote greater access to reliable information, investigative journalism, and citizen participation in understanding and developing program-based budgets. It will help increase the public sector's credible and effective stewardship of public resources by assisting in a more transparent development, review and implementation of the Government of Bangladesh's national budget.

15. (U) The Department of Justice (DOJ) has provided training on financial investigations to the national corruption task forces. This training has involved instructors from the Internal Revenue Service and the U.S. financial intelligence unit, who have taught simple forensic accounting, investigative methods and interviewing to 90 members from the five-agency national corruption task forces. DOJ also has worked with the Government of Bangladesh to establish

an operational financial intelligence unit in the central bank.

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